The Data Exchange Network Ltd

Company Report

Manufacturing the edge in its data centre strategy

Data Centres

20th March 2019

The Data Exchange Network Ltd (DXN) is an early stage company building two colocation modular data centres - one in Homebush, New South Wales and another facility in Port Melbourne, Victoria. DXN is a vertically integrated prefabricated modular data centre business with manufacturing facilities in Perth. On February 4, 2019, the company announced it had completed a strategic review following delays in development approvals, power access issues in Melbourne and lower infrastructure sales and margins. The company's managing director and CEO Peter Christie also stepped down and was replaced by interim joint-CEOs, Richard Whiting, DXN's Chief Commercial Officer, and Simon Forth, DXN's Chief Operating Officer. DXN now anticipates that the cost of completing a one megawatt, co-location centre at Homebush will be up to $7.5m. We anticipate the company will require an additional $6m in capital this financial year and another $7m in FY20 to complete stage 1 of Sydney and commence stage 2 of Sydney and stage 1 of Melbourne. We anticipate capex will be funded by a 60/40 mix of equity/debt thereafter. Our base case valuation is $121.2m or $0.24/share fully diluted for all anticipated equity raisings (WACC 10.7%, 29.7% 10-yr CAGR in FCF).

Scope

This report has been commissioned by The Data Exchange Network Ltd to present an explanation of its business model and to explore the value created from several possible outcomes.

Business model

The Data Exchange Network is building pre-fabricated modular co-location data centres in leased premises in Sydney, utilising its established engineering and manufacturing facility in Perth to deliver its custom-designed, inhouse data centre infrastructure. The company's revised strategy is to build capacity in stages starting with 1 MW or 145 racks in Sydney and gradually installing 5MW in Sydney and 6MW in Melbourne as demand fills existing infrastructure. This enables DXN to maintain a capital light model compared to traditional DCs which build greater capacity upfront. Revenue will be derived from manufacturing data centre modules for third parties, operating and renting rack space in its co-location data centres and from software licence fees for its monitoring, management and access control system. We anticipate breakeven at 2.9MW built and $10m pa in Edge sales.

Valuation is $121.2m

We have used the DCF methodology to value the company as we believe this is the most appropriate measure given the early stage nature of the business. Applying a WACC of 10.7% (beta 1.5, terminal growth rate 2.2%, target gearing of 10%), our base valuation for the 5MW Sydney DC, 6MW Melbourne DC and Perth manufacturing facility is $121.2m or $0.24/share fully diluted for anticipated capital raises to fund the data centre build. In our view demonstrated success with the rollout of the S1 Homebush data centre and continued growth in sales at the Edge manufacturing facility should underpin DXN's share price performance.

Earnings estimates

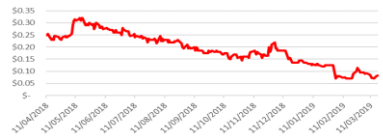
Year end	Revenue(A$m)	EBITDA(A$m)	NPAT (A$m)	EPS (c)	EV/Sales (x)	EV/EBITDA (x)
06/18a	2.0	(4.0)	(5.7)	(5.86)	1.94	na
06/19e	2.6	(7.3)	(6.1)	(2.32)	8.19	na
06/20e	18.8	(2.1)	(2.2)	(0.61)	1.64	na
06/21e	32.1	3.2	0.9	0.17	1.10	11.12

Source: RaaS Advisory Estimates

Share details

ASX Code	DXN
Share price at 18 March	$0.082
Market Capitalisation	$15.9M
Shares on issue	195.3M
Enterprise value	$12.7M
Net cash at 31 Dec '18	$3.2m
Free float	~58%

Share performance (since listing)



Upside Case

- Edge Infrastructure and Manufacturing facility in Perth assists in early cashflows and has capacity to meet both internal and external customer demand
- Capital light compared to traditional data centre operators as building 1MW at a time
- Modularised and smaller data centres will be critical to 5G mobile and the Internet of Things

Downside Case

- Small player in a market dominated by global players with deep pockets
- Significant data centre capacity coming to market in Q4 18
- Growth of mature centres reverts to CPI

Substantial Shareholders

Carason Ward Pte Ltd (Dean Coetzee and Tim Desmond) 28.52%, Buttonwood Nominees Pty Ltd 8.43%, Herdsman Lake Capital Asia Pte Ltd (Peter Christie) 7.13%, SG Hiscock & Company Limited 5.54%

Board of Directors

Douglas Loh	Non-Executive Chairman
Richard Carden	Non-Executive Director
Terry Smart	Non-Executive Director
John Duffin	Non-Executive Director
Timothy Desmond	Executive Director

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Revised strategy

The Data Exchange Network presented a revised strategy to the market on February 4 in which it highlighted that it was concentrating its efforts on completing the build of a one- megawatt colocation facility in Sydney, on which it would spend an additional $2.1m in capital expenditure, taking total spend to $7.5m. This includes contingency overprovisions of $0.53m. The company's prospectus detailed that the initial build of 920 racks at Homebush would cost $4.34m.

DXN also announced it would defer construction works on its Port Melbourne facility until later in calendar 2019 due to delays in power supply and landlord sublease facilities.

The company anticipates the Homebush construction phase will commence immediately, now that development approval has been secured, with the objective to be Ready for Service (RFS) by the end of July 2019. While this is seven months later than anticipated in the company's April 2018 prospectus, we are of the view that this focused strategy can be successfully executed for the following reasons:

- The Homebush data centre's internal fitout is largely complete with external cooling towers and generators in situ and waiting to be installed with Sydney Olympic Park approval having been received on 18 March 2019;
- The centre has two of five containerised modular units installed that will make up the first megawatt of capacity;
- The company's Edge manufacturing facility in Perth is now seeing momentum with a strong sales pipeline, having secured an experienced Kuala Lumpur-based sales team from a competitor;
- Management is focused on driving external sales from Edge to deliver early cashflows while the colocation centres are developed and capacity sold;
- DXN has a senior executive team experienced in building data centre sales and delivering communications and engineering solutions to both third party providers and direct customers;
- The Uptime Institute has already awarded TIER-Ready III and Tier-Ready IV status to the designs of DXN's pre-fabricated modular facilities. This will be of benefit to both external customers and DXN's colocation data centres. "Tier Certification of Constructed Facility – TIER III" should be obtained by the end of August 2019;
- The shift to 5G and Internet of Things (IoT) is expected to create demand for smaller, local data centres such as DXN designs and builds.

The strategy is not without risk. DXN has already experienced delays in local authority approvals and power supply, and sales for its manufacturing operation have not been as forthcoming as the company expected, however, there is every indication that the company has been working hard to address these issues.

Company Background

The Data Exchange Network Ltd was incorporated in August 2017 with the plan to build and sell data centre modules and infrastructure to third party data centre owners and to build its own colocation data centres.

The engineering and manufacturing facility in Perth has been operational since early 2018 and has so far built three modular four-rack data centres for Resolute Mining (ASX:RSG) for deployment to North Queensland and West Africa, a 40ft bespoke modular DC to house critical infrastructure for WA's largest energy provider Synergy, a data recovery mirror solution to replace an aging server room for Automotive Holdings Group (ASX:AHG), as well as constructing modules for its own colocation operations.

DXN listed on April 11, 2018 after raising $16m at $0.20/share to develop Sydney and Melbourne sites as well as fund head office/administration expenses and working capital. The company has subsequently raised, in December 2018 and January 2019, approx.$2m pre- costs at $0.155/share.

Exhibit 1: Data Exchange Network's modular data centres

Source: Company data

Australian data centre market

Composition

There are more than 200 data centres in Australia which can be broadly categorised into three types:

- Specialist independent data centres;
- Broadband service provider owned data centres;
- Data centres owned by other users of communication networks.

Data traffic over networks due to the adoption of cloud services and the rapid uptake of subscription video on demand (SVOD) and other Over-the-Top (OTT) video services has driven demand for non-telco aligned, large scale data centres where enterprise, broadband service providers and cloud/content providers interconnect.

Cisco's Cloud Index forecasts a tripling of annual global data centre traffic from 6.8 Zettabytes (Zb) a year in 2016 to 20.6ZB in 2021[1]. The main driver for usage will be video applications, which are forecast to be 85% of traffic between data centres and end users by 2021, up from 78% in 2016.

Externally, the Sydney and Melbourne colocation data centre markets have experienced a rapid increase in capacity with an estimated 50% increase in data centre capacity having been or in the process of being built for completion this calendar year. For example, NextDC (ASX: NXT) estimated at its 1H19 results last month that it has more than 86MW for sale with most of this capacity in Melbourne and Sydney where it is commissioning second DCs. NXT is also planning to build substantially more capacity with third DCs for Melbourne and Sydney announced.

1 Cisco, Cisco Global Cloud Index: Forecast and Methodology, 2016-2021, White Paper, 1 Feb 2018

Equinix (US:EQIX) has increased capacity by 25% at its Port Melbourne DC and has also in the past 12 months doubled the size of its Sydney operations, while Digital Realty (US: DLR) is more than doubling capacity in its Sydney operations which had been running at 99.8% utilisation. There is a risk of immediate oversupply in these markets which could result in price wars to secure customers. Currently full racks in Sydney DCs cost from $1,650 to $2,200 per month (this is based on advertised rates online). Our modelling uses assumptions at the lower end of this range but this could come under pressure if competitors engage in discounting to secure customers.

DXN falls into the Independent Data Centre category which includes a number of large operators, both multinational and local. Frost & Sullivan estimated that in 2017 that the top three operators (this includes Equinix's December 2017 A$1.0bn acquisition of Metronode) accounted for 46% of the market. We have set out the players by revenue and market share in the following exhibit.

Exhibit 2: Australian Independent Data Centre market, 2017

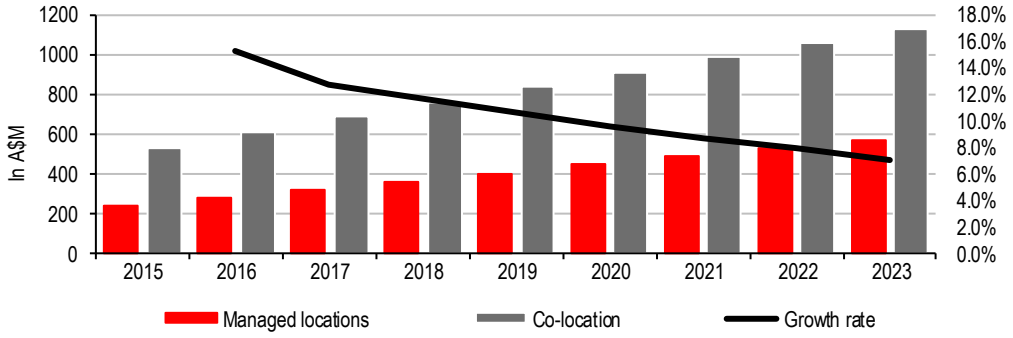
Data centre operator	Annual revenue ($M)	Estimated market share
Equinix (inc Metronode)	286.8	24%
Global Switch	146.8	12%
NextDC	123.6	10%
Others	675.8	55%
Total industry forecast revenue	**1,233.0**	

Source: Frost & Sullivan

Growth forecasts

Frost & Sullivan estimates that Australia's data centre service revenues, which include independent data centre operators, will grow to A$1.7bn in 2023 from A$0.76bn in 2015. In its 2018 report, Australian Data Centre Service Providers,[2] colocation data centres are forecast to grow at an 8-year CAGR to 2023 of 8.7%.

Exhibit 3: Australia and Asia-Pac Data centre revenue in 2016 and forecasted for 2023



Source: Frost & Sullivan "Australia Data Centre Service Providers", 2018

Comparable Companies

There are several listed data centre groups, both local and international, operating in the Australian market.

All are substantially larger than DXN and are further along in their lifecycle. We set these companies out in the following two tables but do not think it is appropriate to try and apply a compco-multiple to our DXN forecasts. By way of explanation, Infratil (IFT.NZ) owns 48% of Canberra Data Centres and this is the only way of investing directly in that operation.

2 Frost & Sullivan, Australian Data Centre Service Providers, 2018

Exhibit 4: International peers operating in Australia

Company name	Code	Share price	Shares on issue	Market Cap (US$m)	Enterprise value (US$m)	EV/Rev TTM (x)	EV/Rev CY19 (x)	EV/EBITDA TTM (x)	P/E TTM (x)	PE CY19 (x)
Digital RealtyTrust	DLR	114.65	207.82	25,040	37590	12.2	11.5	21.2	94.8	95.5
Equinix	EQIX	432.8	80.87	35,001	45720	9.0	8.2	20.4	94.9	68.4
Median				**30,020**	**41655**	**10.6**	**9.9**	**20.8**	**94.8**	**82.0**

Source: Company Data, Thomson Reuters (Prices at 4 March 2019)

Exhibit 5: Local peers

Company name	Code	Currency	Share price	Market Cap ($m)	Enterprise value ($m)	EV/Rev TTM (x)	EV/Rev FY18 (x)	EV/EBITDA TTM (x)	P/E TTM (x)	PE FY18 (x)
Infratil	IFT	NZD	3.94	1,887	3,798	2.1	2.0	10.6	41.9	30.9
Macquarie Telecom	MAQ	AUD	18.98	422	390	1.8	1.7	9.7	30.0	27.5
Next DC	NXT	AUD	6.45	2,227	2,317	18.7	15.2	47.3	95.5	193.5
Median				**1,887**	**2,317**	**2.13**	**2.01**	**10.64**	**41.86**	**30.92**

Source: Company Data, Thomson Reuters (Prices at 4 March 2019)

New capacity

The industry measures itself by data hall size (square metres), megawatts available and number of racks but each company reports different measures for new construction, making it difficult to get a complete picture of all the new capacity coming to the market. Our estimate, based on published company data, is that an additional 150MW-180 MW is coming onto the market over the next six to 12 months. We run through each company anecdotally to demonstrate their existing and new data centre developments.

AirTrunk

Privately-owned AirTrunk opened its first 64,000 square metre DC in Sydney in September 2017 at a capital cost of $200m. The centre has 30MW capacity currently and is planned to operate at 90MW when completed. The company, which raised $851m in August 2018, also plans to build a Melbourne DC with 84MW at completion.

Canberra Data Centres

CDC has two data centre campuses in Canberra, Fyshwick and Hume, which have a combined capacity of 60MW, following the completion of a fifth DC in Fyshwick in late 2018.

Digital Realty

US-listed Digital Realty Trust owns five data centres in Australia and is expanding in both Sydney and Melbourne with capacity due to be commissioned in Q4CY18. According to the company's 2017 annual report, its Sydney data centres are at 99.8% occupancy ahead of a substantial expansion plan, while Melbourne is running at 91.5% occupancy.

Exhibit 6: Digital Realty Trust Australian Data Centres

	Number of Data Centres	Rented space SqM	Space under construction SqM	Annualised rent (US$000)	Occupancy
Melbourne	2	11,643	1,973	16,906	91.5%
Sydney	3	12,840	16,365	16,306	99.8%

Source: 2017 Annual Report

Equinix

Equinix expanded its footprint in Australia with the $1.03bn acquisition of Metronode in December 2017. It now has 15 data centres in Australia and has just expanded its to 1,500 cabinets (previously 1,235) at its Port Melbourne facility. It has also recently doubled the size of its Sydney (Silverwater) DC to 3,000 racks.

Exhibit 7: Equinix Utilisation Rates and MRR per rack by region

	Number of racks	Utilisation rate	Monthly recurring revenue per rack (US$)
AsiaPac	44,400	74%	2,007
Americas	96,300	82%	2,371
EMEA	101,900	82%	1,342

Source: 2017 Annual Report

Global Switch

Global Switch has two data campuses, Sydney East and Sydney West which span 73,000 square metres in Ultimo, Sydney. The company's London-based parent was purchased by Chinese interests in December 2016, prompting the Australian Defence Department to terminate its 10-year contract with the Australian operation several years' early and effective 2020. . The Defence Department was an anchor customer for Global Switch's $200m investment in the Sydney data centre.

NextDC

NXT has invested in more than 126MW of planned capacity across Sydney, Melbourne, Brisbane, Adelaide and Perth. Its three flagship operations in Melbourne, Sydney and Brisbane are almost at capacity, as the following exhibit demonstrates. It raised $281m in April 2018 to expand capacity in Sydney, Melbourne and Perth, it is respectively building 30MW, 40MW and 20MW of additional capacity. The Sydney and Melbourne sites are expected to be commissioned in mid FY19 while Perth is slated for mid-FY20.

Exhibit 8: Snapshot of NextDC's Melbourne, Sydney and Brisbane flagship operations

	Melbourne (M1)	Sydney (S1)	Brisbane (B1)
Contracted utilisation	**95.0%**	**95.0%**	**92.0%**
Billing utilisation	93.0%	94.0%	92.0%
Recurring revenue	59.55	51.11	15.33
Project revenue	3.01	5.07	0.19
Total Revenue	**62.56**	**56.18**	**15.51**
EBITDAR	48.62	41.94	11.97
EBITDA	43.53	36.05	11.54
EBITDAR margin	77.7%	74.6%	77.1%
Capex	147	155	33
Revenue as % of total revenue	44.0%	35.0%	13.0%
EBITDAR (1)	48.62	41.94	11.97
Depreciation (10%)*	14.70	15.50	3.30
EBIT	**33.92**	**26.44**	**8.67**
ROCE*	23.1%	17.1%	26.3%
MW	15.00	16.00	2.25
Capex per MW (A$m)	9.80	9.69	14.67

Source: NextDC FY18 results presentation (1) EBITDAR excludes head office costs *RaaS calculations

Note that the average capex per megawatt in NextDC's Melbourne and Sydney DCs to date have respectively been $9.8m and $9.69m, as highlighted above. DXN is forecasting its first megawatt in Sydney will cost $7.5m including contingencies of $0.5m. We anticipate that over time DXN will bring its cost per MW down to $6.5m, substantially lower than NextDC's average cost per MW.

NextDC's capex history and planned and utilised capacity are set out in Exhibit 9 below. B1 and B2 are in Brisbane, M1 and M2 are in Melbourne, S1and S2 are in Sydney and P1 and C1 are respectively in Perth and Canberra. Applying NextDC's FY19 guidance of $83m-$87m for underlying EBITDA, we estimate that the market has priced in a 10-year CAGR for FCF of 17.4% in NXT's current share price of $6.15.

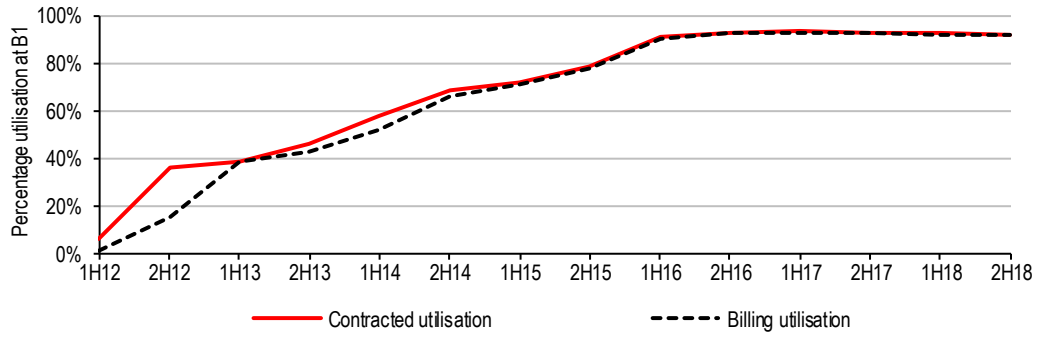
Exhibit 9: NextDC's capex history and capacity

	B1	M1	S1	P1	C1	B2	M2	S2	Total
Commenced	Oct-11	Sep-12	Sep-13	Feb-14	Aug-12	Sep-17	Nov-17	1H19	
Fitout capex to date ($m)	33	147	155	60	37	32	40	n.a.	504
Land and building capex ($m)							52	53	40
Total power planned MW	2.25	15	16	6.0	4.8	12.0	40.0	30.0	126.1
Total power built MW	2.25	15	16	4.1	2.0	2.0	5.0	n.a.	46.4
Capacity available for sale (MW)	0.2	1	0.8	3.8	4.4	11.7	39.3	24.6	85.8

Source: NextDC H119 results presentation

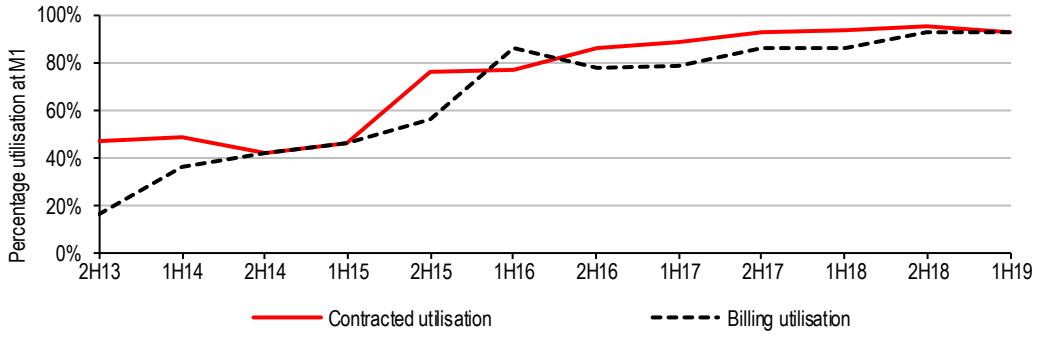
It is also worth examining NextDC's history of contracted and billed utilisation per centre. Below is the experience in Brisbane, its first DC, Melbourne and Sydney, which have experienced similar utilisation patterns from start to maturity. Our forecasts for DXN's utilisation follow a similar pattern.

Exhibit 10: NextDC's B1 Data Centre utilisation history



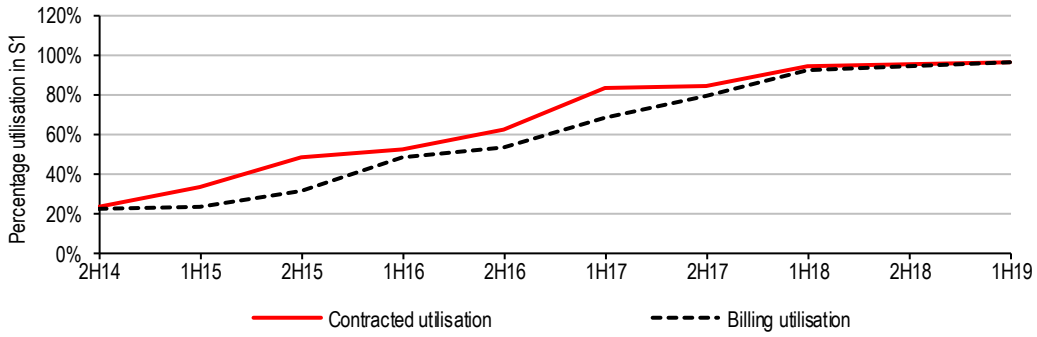
Source: NextDC reports

Exhibit 11: NextDC's M1 Data Centre utilisation history



Source: NextDC reports

Exhibit 12: NextDC's S1 Data Centre utilisation history

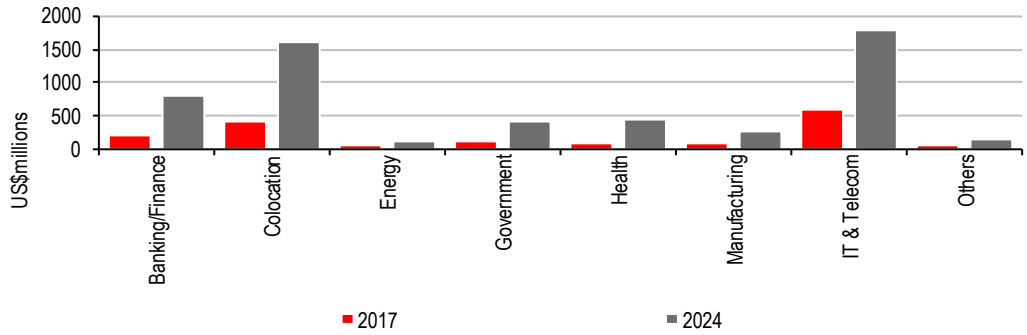


Source: NextDC reports

Modular Data Centre Manufacturers

The global modular DC manufacturing market is forecast to grow substantially over the next three to five years. Future Market Insights has forecast a 10- year CAGR of 22.3% to 2028. Global Market Insights is forecasting that the Edge Date Centre Market, which is DXN's target market for its manufacturing facility, will grow from US$1.5bn in 2017 to US$5.5bn in 2014 with the colocation and IT and Telecommunications sectors leading this growth. We set out GMI's estimates in the following exhibit.

Exhibit 13: Edge Data Centre Revenue by Sector



Source: Global Market Insights, 2018

This market is dominated by international players including IBM Corporation (US:IBM), Eaton Corporation (US:ETN), Hitachi (TYO:6501), Fujitsu (TYO: 6702) and privately held companies, Rittal GmbH, Edge Connex and Huawei Technologies.

RaaS Forecasts

We have modelled each data centre and the Edge manufacturing facility individually and made some assumptions around software sales and corporate overheads. Our assumptions have been derived from examining other operators in the market and from discussions with management. Our base case assumptions include the key parameters:

- Homebush's first megawatt will be Ready for Service (RFS) by the end of July 2019. We anticipate that it will take 12 months to reach 95% capacity of its 145 racks. We are forecasting that construction on the second megawatt will commence in H2FY20 and be completed in H1FY21. We have factored in a 5MW or 725 build at this site and anticipate that this will cost $30m in additional capital to FY23. We have modelled this capex to be 40% debt funded/60% equity. There is capacity at this location to go to about 875 racks, subject to additional engineering.
- Port Melbourne will be put on hold until the first MW is built in Sydney. We have anticipated that DXN will commence install of Port Melbourne's modules in H2FY20 and complete the first MW there in H1FY21. We anticipate it will take 12 months to reach 90% capacity at this site and that the 2nd MW will commence construction in H1FY21. We have factored in a 6MW or 841 rack build at this site and anticipate that this will cost $38m in additional capital to FY25. We have modelled this capex to be 40% debt funded/60% equity up until FY23 when we forecast that DXN should have sufficient internal cashflow to fund the equity component. There is capacity at this location to go to 7MW.
- The Edge manufacturing facility in Perth has capacity to build 30 modules or 6MW per year. We have assumed a maximum capacity build for external sales for each period which is dependent on how many modules are being built for DXN's internal needs. Currently DXN charges about $800k

for a 20ft module and $1.2m for a 40ft modular data centre, with pricing dependent on fit out specifications. We have assumed an average price of $950k per module. Around 20% of revenue is earned in advance and we have adjusted for this in the balance sheet and P&L. We have assumed a utilisation rate of 30% in FY20, rising to 50% by FY24 and then 60% in FY26 and beyond – this means that we are assuming that the facility builds no more than 18 modules a year or 3.6MW. Prices are forecast to rise by 3% a year. COGS are forecast to stabilise at 60%. We have assumed 15 employees at the site which also houses head office.

- We have assumed corporate overheads of $2.75m in FY19, including the cost of renting the Perth facility. These costs are forecast to rise 1.5% a year, with some cost containment expected in FY23 and FY24.
- Software sales are forecast to grow from 2 to 4 per year and be sold as Software as a Service at $40,000 per annum. This software is part of the IP the company has developed;
- Electricity costs of 14.5c per KW per hour with 730 hours average per month used by each rack;
- We have not included any additional data centre or expansion of the current facilities in our base case. We anticipate breakeven at 2.9MW and $10m in annual sales at Edge. This is forecast to be achieved in H1FY21.

We decided to reflect a 95% base case utilisation rate for Sydney and 90% base case utilisation rate for Melbourne after studying existing utilisation rates at NextDC, Equinix and Digital Realty. DXN's management is of the view that DXN's utilisation rate run at these levels and potentially could go above 100% depending on the module configuration and consumed power density. Our forecasts for S1 at Homebush and M1 at Port Melbourne are set out in the following two exhibits.

Exhibit 14: Forecasts for S1 Data Centre at Homebush

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Number of MW built at year end	1.0	1.6	2.6	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Number of racks available to be sold	145	232	377	580	725	725	725	725	725	725
Occupancy rate	0%	55%	93%	95%	95%	95%	95%	95%	95%	95%
Revenue per rack per month	1,685	1,685	1,693	1,727	1,780	1,871	1,889	1,908	1,927	1,947
Ancillary revenue per rack per month	290	290	291	297	306	322	325	328	332	335
Homebush DC revenue	0.0	2.3	6.6	10.6	14.0	14.9	15.2	15.5	15.8	16.1
Ancillary services revenue	0.0	0.4	1.1	1.8	2.4	2.6	2.6	2.7	2.7	2.8
Homebush revenue	**0.0**	**2.7**	**7.7**	**12.4**	**16.4**	**17.4**	**17.8**	**18.1**	**18.5**	**18.9**
COGS										
Power costs	0.0	0.6	1.7	2.7	3.7	4.0	4.1	4.3	4.5	4.7
Ancillary Services	0.0	0.3	1.0	1.5	2.0	2.2	2.2	2.3	2.3	2.4
Rent	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3
TOTAL COGS	1.0	1.9	3.7	5.4	6.9	7.3	7.6	7.8	8.1	8.3
Gross Profit	**-1.0**	**0.7**	**4.0**	**7.0**	**9.5**	**10.1**	**10.2**	**10.3**	**10.4**	**10.5**
Operating costs										
Employees (Sales and DC staff)	1.3	1.8	1.9	1.9	1.8	1.6	1.5	1.5	1.5	1.5
Other costs	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5
Total operating costs	1.8	2.3	2.4	2.5	2.3	2.1	1.9	1.9	2.0	2.0
EBITDA	**-2.8**	**-1.6**	**1.6**	**4.6**	**7.2**	**8.0**	**8.3**	**8.4**	**8.4**	**8.5**
New Capex Required	3.9	3.9	7.8	7.8	6.5	0	0	0	0	0
Free Cashflow	-6.7	-5.5	-6.2	-3.3	0.7	8.0	8.3	8.4	8.4	8.5

Source: RaaS Estimates

Exhibit 15: Forecasts for M1 Data Centre at Port Melbourne

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Number of MW built at year end	0.0	0.2	1.2	2.6	4.0	5.4	5.8	5.8	5.8	5.8
Number of racks available to be sold	0	29	174	377	580	783	841	841	841	841
Occupancy rate	0%	13%	70%	80%	90%	90%	90%	90%	90%	90%
Revenue per rack per month	1,685	1,685	1,691	1,717	1,756	1,823	1,836	1,850	1,864	1,878
Ancillary revenue per rack per month	290	290	291	295	302	314	316	318	321	323
Port Melbourne DC Revenue	0	0.1	1.9	5.7	9.8	13.9	16.3	16.6	16.8	17.1
Ancillary services revenue	0	0.0	0.3	1.0	1.7	2.4	2.8	2.8	2.9	2.9
Port Melbourne Revenue	**0**	**0.1**	**2.2**	**6.7**	**11.5**	**16.2**	**19.1**	**19.4**	**19.7**	**20.0**
COGS										
Power costs	0	0.1	1.2	2.3	3.2	3.7	3.8	3.9	4.0	4.1
Ancillary Services	0	0.0	0.3	0.8	1.4	2.0	2.4	2.4	2.5	2.5
Rent	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3
TOTAL COGS	1.0	1.1	2.6	4.2	5.8	6.8	7.4	7.5	7.7	7.9
Gross Profit	**-1.0**	**-1.0**	**-0.4**	**2.5**	**5.7**	**9.4**	**11.8**	**11.9**	**12.0**	**12.1**
Operating costs										
Employees (Sales and DC staff)	0.3	0.9	1.8	1.9	1.7	1.6	1.4	1.4	1.5	1.5
Other costs	0.1	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Total operating costs	0.4	1.2	2.2	2.3	2.2	2.0	1.9	1.9	1.9	2.0
EBITDA	**-1.4**	**-2.3**	**-2.6**	**0.2**	**3.6**	**7.4**	**9.9**	**10.0**	**10.0**	**10.1**
Capex requirement	0	1.3	6.5	9.1	9.1	9.1	2.6	0	0	0
Free Cashflow	-1.4	-3.6	-9.2	-8.9	-5.6	-1.8	7.3	10.0	10.0	10.1

Source: RaaS estimates

Exhibit 16 sets out our forecasts for the Perth manufacturing facility while Exhibit 17 details our expectations for corporate overheads. Noted that the Edge facility has the potential to be the largest revenue and profit division within the group.

Exhibit 16: Forecasts for Edge infrastructure and manufacturing facility

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Maximum capacity build	28.5	28	25	23	24	26.5	29	30	30	30
Utilisation rate	5%	30%	42%	44%	48%	50%	50%	60%	60%	60%
Unit price	0.95	0.99	1.05	1.11	1.14	1.18	1.21	1.25	1.29	1.33
Income in advance	0.4	2.5	3.3	3.3	3.9	4.7	5.3	6.7	7.0	7.2
Revenue	**2.6**	**16.0**	**22.1**	**22.5**	**26.4**	**31.7**	**35.4**	**45.2**	**47.2**	**48.6**
Percentage growth		504%	38%	2%	17%	20%	12%	28%	4%	3%
COGS	2.3	9.6	13.2	13.5	15.8	19.0	21.3	27.1	28.3	29.2
COGS %	85%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Gross Profit	**0.4**	**6.4**	**8.8**	**9.0**	**10.5**	**12.7**	**14.2**	**18.1**	**18.9**	**19.4**
Operating costs										
Employees	1.3	1.3	1.4	1.4	1.3	1.2	1.1	1.1	1.1	1.1
Other costs	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.5	0.6	0.6
Total operating costs	1.9	1.9	2.0	2.0	2.0	1.8	1.6	1.6	1.7	1.7
EBITDA	**-1.5**	**4.5**	**6.9**	**7.0**	**8.6**	**10.9**	**12.6**	**16.5**	**17.2**	**17.7**

Source: RaaS estimates

Exhibit 17: Forecasts for corporate costs

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Corporate overheads	2.20	2.27	2.31	2.34	2.29	2.24	2.20	2.18	2.22	2.27
Head office rent	0.55	0.56	0.58	0.60	0.61	0.63	0.65	0.67	0.69	0.71
Total Corporate costs	**2.75**	**2.83**	**2.89**	**2.93**	**2.90**	**2.88**	**2.85**	**2.85**	**2.91**	**2.98**

Source: RaaS estimates

Exhibit 18 sets out our forecasts for the group as a whole. We anticipate that the company will need to invest in capex until it completes the current plan for M1 in Port Melbourne.

Exhibit 18: Forecasted P&L and capex requirements

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Revenue	3.8	18.8	32.1	42.0	54.8	66.1	73.2	82.8	85.4	87.5
Total COGS	4.3	12.7	19.5	23.1	28.5	33.2	36.2	42.5	44.1	45.4
Gross Profit	-0.4	6.1	12.6	18.9	26.3	32.9	37.0	40.3	41.3	42.1
OPEX	6.8	8.3	9.5	9.7	9.4	8.8	8.3	8.3	8.5	8.7
EBITDA	-7.2	-2.2	3.2	9.2	16.9	24.1	28.7	32.1	32.8	33.4
Total Capex	3.9	5.2	14.4	17.0	15.7	9.1	2.6	0.0	0.0	0.0
Number of MW	1.0	1.8	3.8	6.6	9.0	10.4	10.8	10.8	10.8	10.8
CAPEX per MW ($m)	8.0	6.5	7.2	6.1	6.5	6.5	6.5			

Source: RaaS estimates

We have assumed that the capex requirements of the group are funded 60/40 equity/debt until DXN is generating sufficient cashflow to fund new builds.

As Exhibit 19 highlights, we are forecasting an additional five capital raises, with the first in the half year. We have assumed an issue price of $0.06 a share to raise $6m. Beyond that, we expect that new equity raised will be done so at a 20% premium to the previous raise. IN FY22, we assume that the capex required will be funded 40% debt, 30% capital raised and 30% from FCF.

Our DCF valuation assumes all the cash raised and new shares issued.

Exhibit 19: Forecasted equity and debt raising to fund S1 and M1 build

	H1FY19	H2FY19	H1FY20	H2FY20	H1FY21	H2FY21	H1FY22	H2FY22	H1FY23	H2FY23	H1FY24	H2FY24	H1FY25	H2FY25
Equity raised (A$m)	2.0	6.0	0.0	8.1	3.9	3.9	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Price assumed ($)	0.155	0.06	0	0.075	0.09	0.108	0.130	0	0	0	0	0	0	0
Additional shares issued (m)	13.0	100.0	0.0	108.4	43.5	36.3	27.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Shares on issue (m)	193.8	293.8	293.8	402.3	445.8	482.0	509.2	509.2	509.2	509.2	509.2	509.2	509.2	509.2
New debt (A$m)		0	2.0	2.1	2.6	2.6	4.7	2.6	4.2	2.1	1.6	2.1	1.0	0
Total Debt (A$m)	1.8	1.8	3.8	5.8	8.5	11.1	15.8	18.4	22.6	24.6	26.2	28.3	29.3	29.3

Source: RaaS Estimates

DCF Valuation

We have used the discounted cashflow methodology to value DXN, applying a WACC of 10.7%, beta of 1.5 and terminal growth rate of 2.2%, to our base case free cashflows. This derives a valuation of $121.2m or $0.24 per share if we include all the shares we anticipate will be issued to fund the capex. At the current share price of $0.071, DXN's 39.3m $0.30 options, which have expiry dates of 30/11/20 and 5/4/21 are well out of the money and we have not included them in our DCF calculation. If we were to add debt we anticipate the company will raise to fund part of the capex, the NPV is $0.18/share, still well ahead of the current share price.

Exhibit 20: Impact of in the money options on DCF valuation

NPV including in the money options		A$m
PV of Enterprise		93.8
Net cash at 31 Dec 18 + five capital raisings		(27.4)
Net Value - Shareholder		121.2
No of shares on issue		509.2
NPV	$	0.24

Source: RaaS Advisory

SWOT Analysis

In our view, the strengths and opportunities for DXN outweigh the weaknesses and threats which we have set out in the following exhibit.

Exhibit 21: SWOT analysis

Strengths	Opportunities
Lower capex requirements that most DCs due to leasing model and modular self-contained units	Mining sites and remote sites offer opportunities for modular sales
IP in software and modularised systems	5G and IoT will require more localised, modularised DCs to cope with local traffic, DXN's sweet spot
Own manufacturing facility delivers time and potential cost savings in building units; also provides an additional revenue stream to third party operators while DCs are built	Opportunities to manage DCs for companies or third parties
More than a decade's experience in building modular data centres	Opportunity to establish an aligned REIT to ensure long term (25-year+) property leases
Board and management have experience in building companies and developing data centres	
Weaknesses	**Threats**
Small operator competing with multinationals and well-funded local players such as NextDC and Equinix	Oversupply in Sydney and Melbourne could trigger pricing war
Limited track record, no history of operating DCs	Singapore is the main hub in Asia and could attract business away from Australia
Board and management team spread between Singapore, Perth and Melbourne	Business model depends on additional equity raisings and debt finance to complete both Sydney and Melbourne beyond the first 1MW in Sydney
Initial capital raised has not been sufficient in the face of approval delays, problems with supply and cost overruns on building the initial units	Appropriate sites with long leases (25+ years) are hard to find

Source: RaaS Advisory

Sensitivities

We see several risks for DXN's business model which include but are not limited to the following:

- Capital Risk: DXN has indicated to the market that it is considering its funding options. Our financial modelling demonstrates that further capital will be required to fully complete the Homebush and Port Melbourne data centres.
- Execution Risk: DXN is a new company, and the company has a limited track record of building and operating colocation data centres;
- Competitive Risk: As we have discussed, there are several data centres, either stand alone or extensions to existing operations that came to market in 2018 or are coming to the market in 2019. While demand forecasts are strong, there is a risk of oversupply in the short term which could lead to delays in filling DXN's DCs and/or potential reductions in prices. We have factored in a measured rollout of each megawatt and industry utilisation rates but aggressive competitive behaviour could result in DXN either slowing the rollout or reducing its prices to secure customers.
- Geographic risk: DXN's board and management team are spread from Perth, to Singapore to Melbourne which, in our view, potentially stretches management capability in a small company and reduces its capacity to respond to quickly to customer needs. One of the benefits of proximity highlighted in our discussions with industry participants is that if the data centres are within driving distance of each other its easy for the CEO to be on hand for client meetings and it keeps employee numbers in check (no need to duplicate at each centre).

Board and Management

The board comprises the following:

Douglas Loh, **Independent Non- Executive Chairman**, is currently executive director of Health Science Innovation Holdings. He was previously head of equities and co-founder of Acorn Capital.

Richard Carden, **Independent Non-Executive Director**, was previously Senior Vice President Integration at Speedcast (SDA). He was the SVP of Global Sales for Pacnet (now part of Telstra's International operations in Singapore) and President and CEO of Verizon, Japan;

Terry Smart, **Independent Non-Executive Director**, is currently MD of Good Guys at JB HiFi. He is the former long-standing CEO of JB HiFi and previously held senior business development roles at Eastman Kodak;

John Duffin, Independent Non-Executive Director, was most recently the Managing Director, South Asia at Uptime Institute based in Singapore and brings more than 20 years' experience within the Asian data centre industry including the design and operations of critical data centre facilities in the commercial colocation, telecommunications and financial services sectors. His experience includes AECOM Singapore, Arup Australia (which was responsible for the 16,500m² Digital Realty Singapore data centre and level 3 Asia).

Tim Desmond, Executive Director, is lead product developer and a co-founder of Data Exchange. He manages development of new modular technology and associated software and IoT solutions. Tim is the originator of all of DXN's current patented technology and data centre module designs.

The management team includes:

Richard Whiting, Joint Interim CEO, joined the company in November 2018 as Chief Commercial Officer, responsible for the establishment of front-of-house systems, documentation and processes as well as managing wholesale relationships with major telecommunications providers. He previously was Chief Executive Officer – Western Region and General Manager of Sales Operations for ASX- listed Vocus Group Ltd (ASX:VOC) and previously was Chief Technology Officer of the then-ASX listed Amcom Telecommunications and Managing Director of the then-listed Amnet Ltd.

Simon Forth, Joint Interim CEO, joined DXN in November 2018 as Chief Operating Officer, responsible for all manufacturing and construction activities in the group including construction of the data centres, quality control, certifications and occupational health and safety (OHS). Simon has extensive experience with process improvement in engineering and manufacturing operations. He previously held senior executive positions with Brisbane based CSG Engineering and CS Gas which supplied engineering solutions to the mining and coal seam gas sectors. Prior to the Simon was an executive director of ASX listed Legend Corporation (ASX:LGD), an electrical, gas and IT services group.

George Lazarou, Chief Financial Officer and Company Secretary was a corporate services and audit partner at a mid-tier accounting firm and is currently a Non-Exec director of eSports Mogul (ESH). George brings more than two decades' experience in public company experience having held several non-executive director positions, company secretary and CFO roles.

Cardin Bransgrove, Head of Sales, joined DXN in December 2018, bringing more than 20 years' experience in corporate sales in the IT and Data Centre markets. He previously was Business Development Manager for Macquarie Telecom Ltd (ASX:MAQ) and Head of Acquisitions, NSW, for Nextgen.

Jitender Beniwal, Data Centre Operations Manager, joined DXN in November 2018 from Microsoft where he was the Site Operations Manager (Edge APAC) for the team within Microsoft that hosts its cloud services including Azure and Office 365.

Justin Kellerman, Strategic Projects, is responsible for facility development and design of DXN's modular data centre systems. He has experience across all aspects of data centre design, operations and engineering from extensive experience in Australia and Africa.

Corrie Coetzee, Engineering Manager. including computer aided design and construction of DXN's modular solutions. Corrie has more than 30 years' experience constructing industrial facilities, plant and equipment globally from Africa and Australia.

Scenario Analyses

We always look at an upside case and a downside case when analysing companies. IN DXN's case, we have applied the following assumptions to our upside case:

- Revenue per rack and ancillary income per rack 10% above our base case
- Utilisation rate of 95% in Melbourne and 99% in Sydney
- CPI increases of 4%
- Cost increases of 2%
- Manufacturing utilisation rate 20% above our base case
- Revenue per unit 20% above our base case

Our downside case assumes the following:

- Revenue per rack and ancillary income per rack 10% below our base case
- Utilisation rate of 80% in both Sydney and Melbourne
- CPI increases of 2%
- Cost increases of 4%
- Manufacturing utilisation rate and revenue per unit 20% below our base case.

We set out in the following exhibit the impact on valuation and IRR from each of the scenarios considered.

Exhibit 22: Valuation impact of scenario analysis outlined

	$m	$	IRR %
Base case valuation	121.2	$ 0.24	11%
A downside case	10.1	$ 0.02	-18%
An upside case	295.1	$ 0.58	48%

Source: RaaS Estimates

RaaS
Research as a Service

Exhibit 23: Financial Summary

The Data Exchange Network (DXN)					
Profit and Loss (A$m)					
Y/E 30 June	**FY18A**	**FY19F**	**FY20F**	**FY21F**	**FY22F**
Revenue	2.0	2.6	18.8	32.1	42.0
EBITDA	(4.0)	(7.3)	(2.1)	3.2	9.2
Depn	(0.0)	(0.3)	(0.9)	(1.7)	(3.1)
Amort	(1.7)	(0.0)	(0.1)	(0.0)	(0.0)
EBIT	(5.7)	(7.7)	(3.1)	1.5	6.1
Interest	0.0	0.1	(0.1)	(0.2)	(0.5)
Tax	0.0	1.5	0.9	(0.4)	(1.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0
NPAT pre significant items	(5.7)	(6.1)	(2.2)	0.9	3.9
Significant items	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	**(5.7)**	**(6.1)**	**(2.2)**	**0.9**	**3.9**
Cash flow (A$m)					
Y/E 30 June	**FY18A**	**FY19F**	**FY20F**	**FY21F**	**FY22F**
EBITDA	(4.0)	(7.3)	(2.1)	3.2	9.2
Interest	0.0	0.1	(0.1)	(0.2)	(0.5)
Tax	0.0	0.0	0.0	(0.4)	(1.7)
Working capital changes	(1.6)	(0.8)	(0.8)	(1.0)	(1.1)
Operating cash flow	(5.6)	(8.0)	(3.0)	1.5	5.9
Mtce capex	(0.4)	(0.1)	(0.2)	(0.4)	(0.8)
Free cash flow	(6.0)	(8.1)	(3.2)	1.1	5.1
Growth capex	(0.2)	(8.1)	(5.2)	(13.1)	(18.3)
Acquisitions/Disposals	(0.0)	0.0	0.0	0.0	0.0
Other	(1.2)	(2.0)	0.0	0.0	0.0
Cash flow pre financing	(7.5)	(18.2)	(8.4)	(11.9)	(13.1)
Equity	17.7	7.3	7.7	7.4	3.3
Debt	0.0	0.0	4.1	5.2	7.3
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow for year	10.2	(10.8)	3.4	0.7	(2.5)
Balance sheet (A$m)					
Y/E 30 June	**FY18A**	**FY19F**	**FY20F**	**FY21F**	**FY22F**
Cash	12.0	3.0	6.4	7.1	4.6
Accounts receivable	1.2	0.4	3.1	5.3	7.0
Inventory	0.2	0.2	0.9	1.4	1.6
Other current assets	0.7	2.7	2.7	2.7	2.7
Total current assets	*14.2*	*6.4*	*13.1*	*16.5*	*15.9*
PPE	0.4	9.2	13.7	25.5	41.5
Goodwill	0.0	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0	0.0
Deferred tax asset	0.0	1.5	2.4	2.4	2.4
Other assets	1.1	1.1	1.1	1.1	1.1
Total non current assets	*1.4*	*11.7*	*17.2*	*29.0*	*45.0*
Total Assets	15.6	18.1	30.3	45.5	60.9
Accounts payable	0.9	0.5	2.1	3.2	3.8
Short term debt	0.0	0.6	0.6	0.6	0.6
Tax payable	0.0	0.0	0.0	0.0	0.0
Other current liabilities	0.1	0.2	1.2	1.7	2.0
Total current liabilities	*1.0*	*1.3*	*3.9*	*5.5*	*6.4*
Long term debt	0.0	1.1	5.2	10.4	17.7
Other non current liabs	0.0	0.0	0.0	0.0	0.0
Total long term liabilities	*0.0*	*1.1*	*5.2*	*10.4*	*17.7*
Total Liabilities	1.0	2.5	9.1	16.0	24.2
Net Assets	**14.7**	**15.6**	**21.2**	**29.5**	**36.7**
Share capital	20.1	27.5	35.2	42.6	46.0
Accumulated profits/losses	(5.7)	(12.1)	(14.3)	(13.4)	(9.5)
Reserves	0.3	0.3	0.3	0.3	0.3
Minorities	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**14.7**	**15.7**	**21.2**	**29.5**	**36.8**

Share price (19 March 2019)						A$	0.08
Interim (A$m)	**H119F**	**H219F**	**H120F**	**H220F**	**H121F**	**H221F**
Revenue	2.5	1.3	8.5	10.3	14.9	17.3
EBITDA	(2.7)	(4.5)	(1.5)	(0.7)	0.9	2.3
EBIT	(2.8)	(4.9)	(2.0)	(1.1)	0.2	1.3
NPAT (normalised)	(2.7)	(3.4)	(1.4)	(0.8)	0.1	0.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	(2.9)	(3.4)	(1.4)	(0.8)	0.1	0.8
EPS (normalised)	n/a	(4.6)	(1.5)	(1.4)	(0.5)	(0.3)
EPS (reported)	n/a	(4.6)	(1.5)	(1.4)	(0.5)	(0.3)
Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0
Imputation	30.0	30.0	30.0	30.0	30.0	30.0
Operating cash flow	(0.6)	(5.0)	(4.3)	(3.7)	(1.1)	(1.9)
Free Cash flow	(0.4)	(4.5)	(0.1)	0.3	(1.0)	3.4
Divisions	**H119F**	**H219F**	**H120F**	**H220F**	**H121F**	**H221F**
Port Melbourne	0.0	0.0	0.0	0.1	0.7	1.5
Homebush	0.0	0.0	0.6	2.1	3.4	4.3
Edge Infrastructure	1.3	1.3	7.9	8.2	10.7	11.4
Software sales	0.0	0.0	0.0	0.0	0.1	0.1
Tottal Revenue	1.3	1.3	8.5	10.3	14.9	17.3
COGS	2.3	2.0	5.9	6.7	9.3	10.2
Gross Profit	(0.9)	(0.7)	2.5	3.6	5.6	7.0
Employment costs	1.0	1.8	1.9	2.1	2.5	2.5
Other operating costs	0.5	0.7	0.6	0.8	0.8	0.8
Corporate overheads	1.4	1.4	1.4	1.4	1.4	1.5
Total Operating Costs	3.0	3.9	4.0	4.3	4.7	4.8
EBITDA	(3.9)	(4.5)	(1.5)	(0.7)	0.9	2.3
Capex required	4.1	3.9	0.0	5.2	6.5	6.5
Margins, Leverage, Returns		**FY18A**	**FY19F**	**FY20F**	**FY21F**	**FY22F**
EBITDA		n/a	(274.6%)	(11.4%)	9.9%	21.9%
EBIT		n/a	(288.7%)	(16.5%)	4.5%	14.5%
NPAT pre significant items		n/a	(230.3%)	(11.8%)	2.7%	9.3%
Net Debt (Cash)		12.0	1.3	0.5	- 4.0	- 13.7
Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	- 1.249	- 1.492
ND/ND+Equity (%)	(%)	n/a	(8.7%)	(2.6%)	11.8%	27.2%
EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.1	0.1
ROA		n/a	(45.4%)	(12.8%)	3.8%	11.4%
ROE			(40.1%)	(12.0%)	3.4%	11.8%
ROIC		0.0%	(39.1%)	(50.9%)	9.9%	61.5%
NTA (per share)		0.08	0.05	0.05	0.06	0.07
Working capital		0.6	0.1	1.9	3.4	4.7
WC/Sales (%)		**28.2%**	**4.7%**	**10.1%**	**10.7%**	**11.3%**
Revenue growth		n/a	33.6%	609.3%	70.9%	30.8%
EBIT growth pa		n/a	n/a	n/a	(147.1%)	317.2%
Pricing		**FY18A**	**FY19F**	**FY20F**	**FY21F**	**FY22F**
No of shares (y/e)	(m)	194	294	446	509	509
Weighted Av Dil Shares	(m)	98	244	330	458	509
EPS Reported	cps	(5.86)	(2.32)	(0.61)	0.17	0.72
EPS Normalised/Diluted	cps	(5.86)	(2.88)	(0.72)	0.19	0.77
EPS growth (norm/dil)		n/a	n/a	n/a	-127%	303%
DPS	cps	-	-	-	-	-
DPS Growth		n/a	n/a	n/a	n/a	n/a
Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%
Dividend imputation		30	30	30	30	30
PE (x)		-	-	-	47.9	11.4
PE market		15.2	15.2	15.2	15.2	15.2
Premium/(discount)			(100.0%)	(100.0%)	215.5%	(25.0%)
EV/EBITDA		(1.0)	(3.0)	(14.4)	11.1	4.1
FCF/Share	cps	(2.7)	(2.7)	(0.6)	0.4	1.3
Price/FCF share		(3.1)	(3.0)	(13.3)	21.2	6.2
Free Cash flow Yield		(32.4%)	(32.8%)	(7.5%)	4.7%	16.1%

Source: RaaS Advisory

FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

Effective Date: 26th November 2018

About Us

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This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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